



The Effect of Capacity Utilization on Economic Growth in Industrial Enterprises

Mustafa TURHAN

Head of Executive Board of TROY HOLDING, İstanbul, Turkey.

mustur51@hotmail.com

Abstract

International economic and political developments, rapid changes in the field of technology in recent years, the increase in population and number of employees, and the mobilization of capital have significantly affected the development of developing countries. Influence leads to a fall in production in the real sector and also causes crises in the financial sector. Another reason for production losses is the drop in capacity utilization rates. Capacity utilization is an important factor when it is aimed to increase the speed of development and to create more added value of existing capital. For this reason, it has become important to examine the hypothesis that it is possible to increase the national income more fully by fully using the available capacity in the industry and to present analytical solutions. The idea that fixed asset investments are used at full capacity is invalid. It is frequently encountered in both developed and developing countries that the investments made in manufacturing industry are not operated at full capacity. The idle capacity created by domestic economic crises, decisions and anticipations and structural causes is a decline in the rate of development for developing countries. Because the idle capacity is resource waste.

Keywords: Capacity Utilization, Production, Manufacturing